



# Louisiana Senate Finance Committee



## FY24 Executive Budget

### 11 – Department of Natural Resources

March 2023

*Senator Patrick Page Cortez, President*  
*Senator Bodi White, Chairman*



# FY24 Recommended Budget

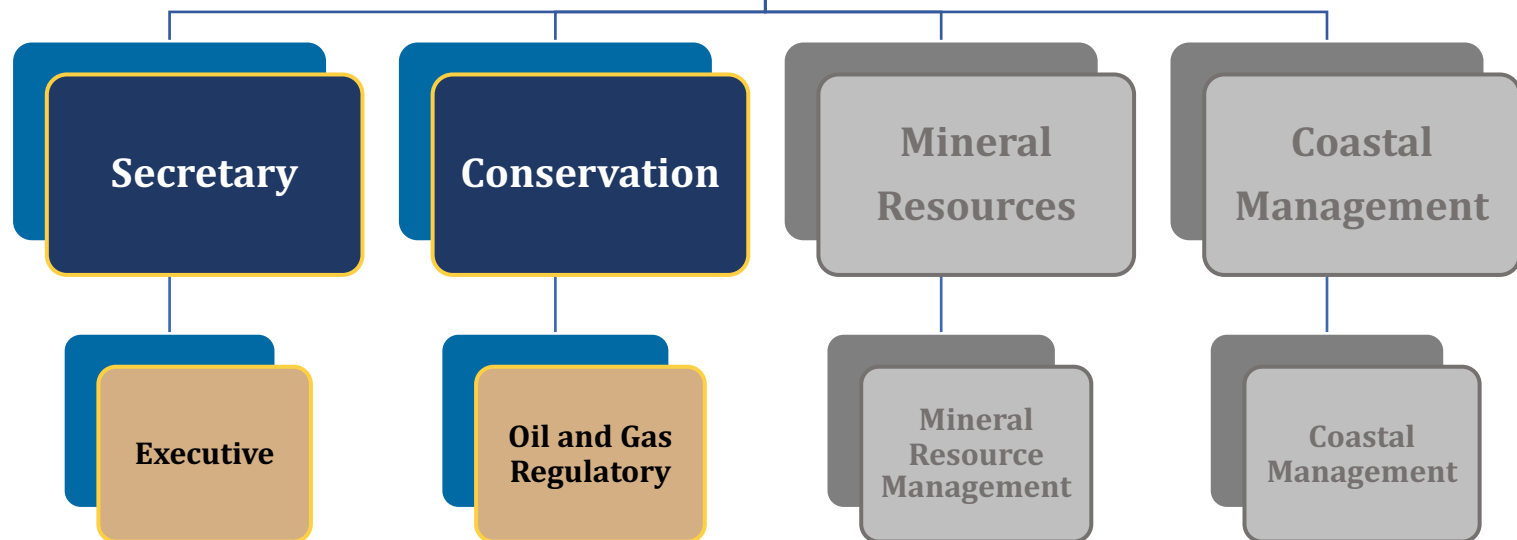
## Schedule 11 — Natural Resources Agencies

Departmental mission — “To ensure and promote sustainable and responsible use of the natural resources of the state,” particularly non-renewable resources such as oil, gas, and coal, and renewable resources such as solar energy.



The Office of Mineral Resources (\$9.8 m. and authorized T.O. of 55) and the Office of Coastal Management (\$7.9 m. and authorized T.O. of 45) will be consolidated into the Office of the Secretary.

DNR will now be comprised of two agencies: Office of the Secretary and Office of Conservation.





# Department of Natural Resources

## Offices of the Secretary and Conservation

### Office of the Secretary



- **Executive Program**

- Home of the departmental secretary, executive counsel, undersecretary, and internal auditor.
- Also includes Legal, Public Information, and Technology Assessment duties.
- Provides leadership, guidance, and coordination to ensure consistency within the department as well as externally.
- Responsibilities include administration, accounting, budget, grants management, program analysis, and internal auditing, among other duties.
- Maintains and updates SONRIS, which is the online, searchable departmental database and imaging system.

- **Mineral Resource Management Program**

- Home of the State Mineral and Energy Board and administrative staff.
- Includes three divisions — Executive; Geology, Engineering, and Lands; and Mineral Income.

- **Coastal Management Program**

- Implements the Louisiana Coastal Resources Program (LCRP), which was established in 1978. The LCRP is the state's federally approved coastal zone management program, which oversees coastal use permits.

### Office of Conservation



- **Oil and Gas Regulatory Program**

- The Department of Conservation was originally created in 1912 and was later incorporated into the present day Department of Natural Resources.
- Home of the commissioner of conservation and managing staff.
- Administers the conservation and development of the non-renewable natural resources in the state, while seeking to minimize negative environmental impact.
- Responsibilities include administration of regulatory programs for oil and natural gas wells, pipelines, drilling, and mining, as well as inspections, ground water management, and other duties.
- Administers the Oilfield Site Restoration Program and the Underwater Obstruction Removal Program.

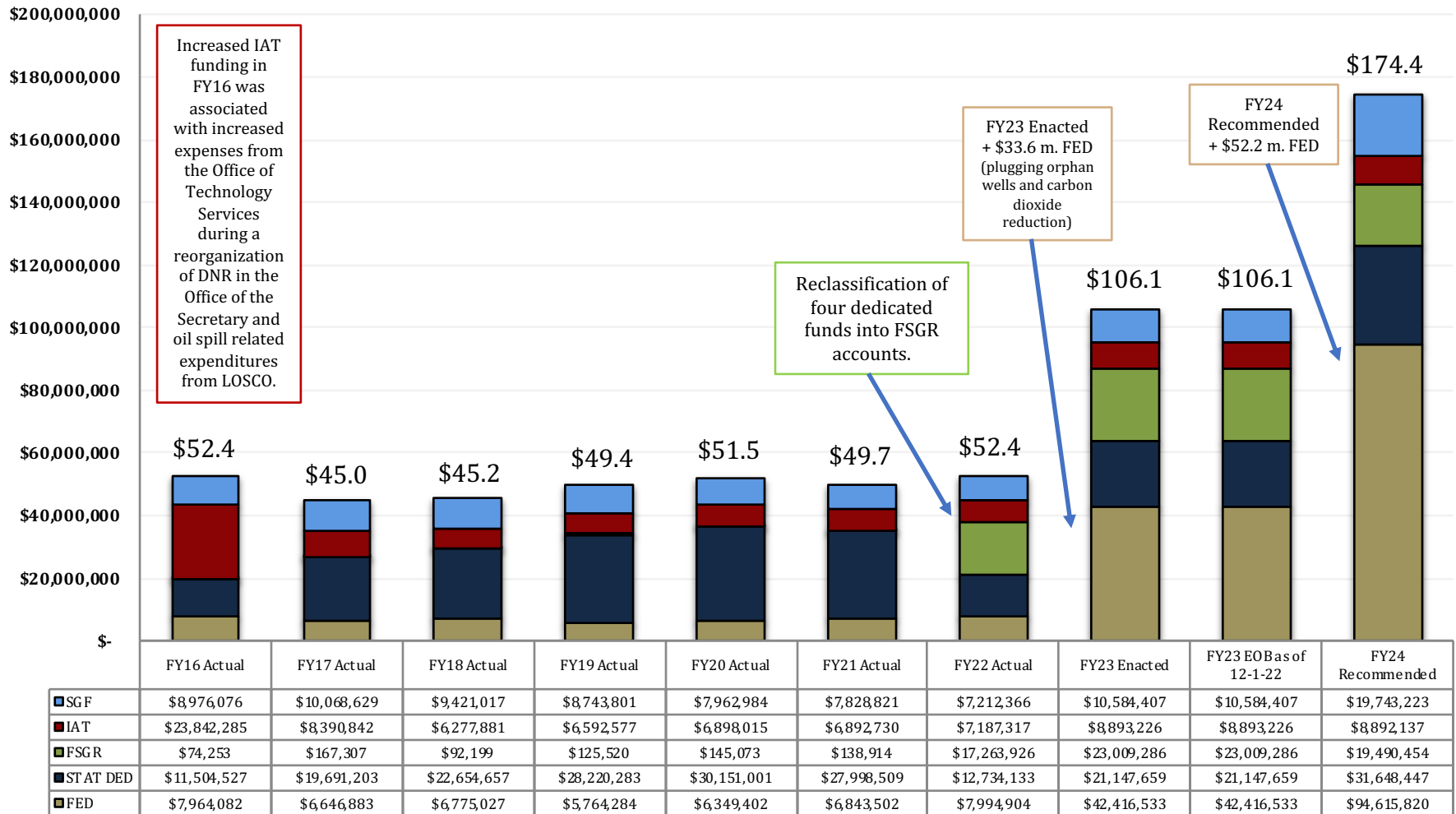


# Natural Resources

## Changes in Funding since FY16

### Total Budget by Fiscal Year and Means of Finance (in \$ millions)

Change from FY16 to FY24 is +235%.  
Change from FY16 to FY22 is 0%.







# Natural Resources

## Statewide Adjustments for FY24

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
<b>\$10,584,407</b>	<b>\$8,893,226</b>	<b>\$23,009,286</b>	<b>\$21,147,659</b>	<b>\$42,416,533</b>	<b>\$106,051,111</b>	<b>321</b>	<b>FY23 Existing Operating Budget as of 12-1-22</b>
\$0	\$0	\$439,003	\$48,800	\$128,204	<b>\$616,007</b>	0	Acquisitions and Major Repairs
\$0	\$259	\$0	<b>(\$1,937)</b>	\$0	<b>(\$1,678)</b>	0	Administrative Law Judges
<b>(\$26,539)</b>	<b>(\$27,209)</b>	<b>(\$265,438)</b>	<b>(\$70,537)</b>	<b>(\$54,568)</b>	<b>(\$444,291)</b>	0	Attrition Adjustment
\$5,038	\$0	\$0	\$0	\$0	<b>\$5,038</b>	0	Capitol Park Security
\$0	\$0	\$5,978	\$0	\$0	<b>\$5,978</b>	0	Capitol Police
<b>(\$949)</b>	\$0	\$0	\$0	\$0	<b>(\$949)</b>	0	Civil Service Fees
\$3,021	\$5,421	\$28,389	\$47,617	\$6,846	<b>\$91,294</b>	0	Civil Service Pay Scale Adjustment
\$2,085	\$8,401	\$21,273	\$8,845	\$10,210	<b>\$50,814</b>	0	Civil Service Training Series
\$5,608	\$10,070	\$32,542	\$18,092	\$17,356	<b>\$83,668</b>	0	Group Insurance Rate Adjustment for Active Employees
\$1,289	\$3,174	\$0	\$1,884	\$3,570	<b>\$9,917</b>	0	Group Insurance Rate Adjustment for Retirees
\$9,191	\$2,299	\$0	\$0	\$0	<b>\$11,490</b>	0	Legislative Auditor Fees
\$0	\$0	\$2,784	\$0	\$0	<b>\$2,784</b>	0	Maintenance in State-owned Buildings
\$42,710	\$166,983	\$367,627	\$172,548	\$173,653	<b>\$923,521</b>	0	Market Rate Classified
<b>(\$54,999)</b>	<b>(\$199,517)</b>	<b>(\$436,416)</b>	<b>(\$255,664)</b>	<b>(\$231,763)</b>	<b>(\$1,178,359)</b>	0	Non-recurring 27th Pay Period
\$0	\$0	<b>(\$237,728)</b>	<b>(\$30,000)</b>	<b>(\$126,954)</b>	<b>(\$394,682)</b>	0	Non-recurring Acquisitions & Major Repairs
<b>(\$3,744)</b>	\$0	<b>(\$757)</b>	\$0	\$0	<b>(\$4,501)</b>	0	Office of State Procurement
\$7,200,120	\$0	\$4,011	\$1,173	\$0	<b>\$7,205,304</b>	0	Office of Technology Services (OTS)
<b>(\$18,681)</b>	<b>(\$36,220)</b>	<b>(\$80,153)</b>	<b>(\$242,845)</b>	<b>(\$55,576)</b>	<b>(\$433,475)</b>	0	Related Benefits Base Adjustment
\$17,649	\$0	\$2,896	\$0	\$0	<b>\$20,545</b>	0	Rent in State-owned Buildings
\$12,464	\$24,002	\$69,007	\$42,940	\$39,822	<b>\$188,235</b>	0	Retirement Rate Adjustment
\$48,080	<b>(\$45,810)</b>	\$72,721	<b>(\$59,652)</b>	<b>(\$15,334)</b>	<b>\$5</b>	0	Risk Management
\$28,772	\$104,015	\$248,860	\$144,903	\$109,493	<b>\$636,043</b>	0	Salary Base Adjustment
<b>(\$978)</b>	\$0	\$0	\$0	\$0	<b>(\$978)</b>	0	State Treasury Fees
\$352	\$364	\$813	\$0	\$0	<b>\$1,529</b>	0	UPS Fees
<b>\$7,270,489</b>	<b>\$16,232</b>	<b>\$275,412</b>	<b>(\$173,833)</b>	<b>\$4,959</b>	<b>\$7,393,259</b>	<b>0</b>	<b>Total Statewide Adjustments</b>
\$0	\$0	<b>(\$3,175,000)</b>	\$0	\$0	<b>(\$3,175,000)</b>	0	Total Non-Recurring Other Adjustments
\$1,684,053	\$3,600	<b>(\$166,233)</b>	\$10,653,700	\$51,945,591	<b>\$64,120,711</b>	6	Total Other Adjustments
\$204,274	<b>(\$20,921)</b>	<b>(\$453,011)</b>	\$20,921	\$248,737	<b>\$0</b>	0	Total Means of Financing Substitution
<b>\$19,743,223</b>	<b>\$8,892,137</b>	<b>\$19,490,454</b>	<b>\$31,648,447</b>	<b>\$94,615,820</b>	<b>\$174,390,081</b>	<b>327</b>	<b>Total FY24 Recommended Budget</b>
\$9,158,816	<b>(\$1,089)</b>	<b>(\$3,518,832)</b>	\$10,500,788	\$52,199,287	<b>\$68,338,970</b>	6	Total Adjustments (Statewide and Agency-Specific)



# Natural Resources

## Agency-Specific Adjustments for FY24

### Non-Recurring Other Adjustment

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	(\$3,175,000)	\$0		(\$3,175,000)	-	Non-recurs funding in the Coastal Resources Trust Dedicated Fund Account because all Beneficial Use projects are anticipated to be completed in FY 2023.
\$0	\$0	(\$3,175,000)	\$0	\$0	(\$3,175,000)	-	<b>Total Non-Recurring Other Adjustment</b>

### Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$0	\$20,000,000	\$20,000,000	-	Increase due to the Federal Infrastructure Investment and Jobs Act. These funds will be utilized for the <b>plugging of abandoned orphan wells</b> in the Oilfield Site Restoration Program.
\$0	\$0	\$0	\$0	\$3,412,616	\$3,412,616	2	<b>Increase for four (4) energy grants</b> (SEPIJA Formula Grant - subsidize and expand the state's annual Energy Program Grant; Energy Security Grant - create an energy security plan for the state; Energy Efficiency Conservation Block Grant - to implement energy efficiency and renewable upgrades; and the New Revolving Loan Grant - to implement energy efficiency and renewable energy technology upgrades and improvements). Increases T.O. by two (2) Authorized Positions.
\$0	\$0	\$0	\$0	\$20,000,000	\$20,000,000	2	Increase for phase 1 of the <b>Regional Clean Hydrogen Hubs Program</b> . Louisiana has entered into a bipartisan three-state partnership with Arkansas and Oklahoma for the development of a regional clean hydrogen hub. Funding comes from the Federal Infrastructure and Investment Jobs Act for infrastructure to accelerate the use of hydrogen as a clean energy carrier that can deliver or store tremendous amounts of energy. This request also increases the Table of Organization (T.O.) by two authorized positions: Accountant/Grant Reviewer and a Federal Energy Program Manager. These positions will be responsible for handling grant applications, contracting, federal reporting requirements, as well as planning, preparing, and implementing multiple projects throughout the state dealing with energy efficiency for the State Energy Office.
\$0	\$3,600	\$0	\$0	\$3,600	\$7,200	-	Increase for the <b>replacement of four (4) laptops and docking stations</b> for the Office of the Secretary. Federal Funds are from the State Energy Program grant (2022 State Energy Program Bipartisan Infrastructure Law).
\$0	\$0	\$39,892	\$0	\$171,797	\$211,689	-	Increase in Fees and Self-generated Revenues out of the Oil and Gas Regulatory Dedicated Trust Fund Account and Federal Funds for the <b>replacement of thirty-one (31) laptops and twenty (20) monitors for the Injection and Mining, Pipeline, and Executive Divisions</b> . The Federal funding comes from multiple grants (Abandoned Mine Land Reclamation, Environmental Information Exchange Network Grant Program and Related Assistance, Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining, Pipeline Safety Program State Base Grant, and the Carbon Dioxide Sequestration Grant).
\$1,289,010	\$0	\$0	\$0	\$8,005,578	\$9,294,588	2	Increase in State General Fund (Direct) and Federal Funds for the <b>Grid Resilience Grant</b> for projects that generate the greatest community benefit providing clean, affordable, and reliable energy to the weakest areas in Louisiana. This request also increases the Table of Organization (T.O.) by two authorized positions for an Accountant/Grant Reviewer and a Legal Administrative Program Specialist.



# Natural Resources

## Agency-Specific Adjustments for FY24

### Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$91,200	\$0	\$91,200	-	Increase in Statutory Dedications out of the Mineral and Energy Operation Fund for the <b>replacement of fifteen (15) laptops, fourteen (14) mobile hotspots, and eleven (11) portable monitors</b> for field auditors; two (2) plotters for Geology Lands Division, and six (6) printers for Geology, Engineering, and Lands Divisions; and ten (10) printers for the Mineral Income Division.
\$0	\$0	\$0	\$6,562,500	\$0	\$6,562,500	-	Increase in Statutory Dedications out of the Oilfield Site Restoration Fund for <b>site specific restoration of wells in the Humphreys and Orange Grove Fields in Terrebonne Parish</b> . The Atlantic Richfield Company has agreed to donate this funding to the Oilfield Site Restoration Fund for this work.
\$0	\$0	\$0	\$4,000,000	\$0	\$4,000,000	-	Increase in Statutory Dedications out of the Oilfield Site Restoration Fund to <b>plug and restore approximately twenty five (25) high priority orphaned water/land wells</b> in South Louisiana.
\$188,918	\$0	\$0	\$0	\$0	\$188,918	-	Increase to fund <b>water well inspections</b> .
\$0	\$0	\$0	\$0	\$352,000	\$352,000	-	Increase to receive additional funding for the Coastal Zone Management Administration grant for <b>supplies, operating costs, and to attend workshops and policy conferences</b> . These funds are coming from the National Oceanic and Atmospheric Administration.
\$206,125	\$0	(\$206,125)	\$0	\$0	\$0	-	Means of finance substitution decreasing the Oil and Gas Regulatory Dedicated Fund Account and increasing State General Fund for <b>two (2) Environmental Impact Specialists 3 positions to operate the Water Well Program</b> . These funds were appropriated to Office of Conservation during the FY21 budget season via the supplemental bill due to an MOU with DOTD that was discontinued.
\$1,684,053	\$3,600	(\$166,233)	\$10,653,700	\$51,945,591	\$64,120,711	6	<b>Total Other Adjustments</b>

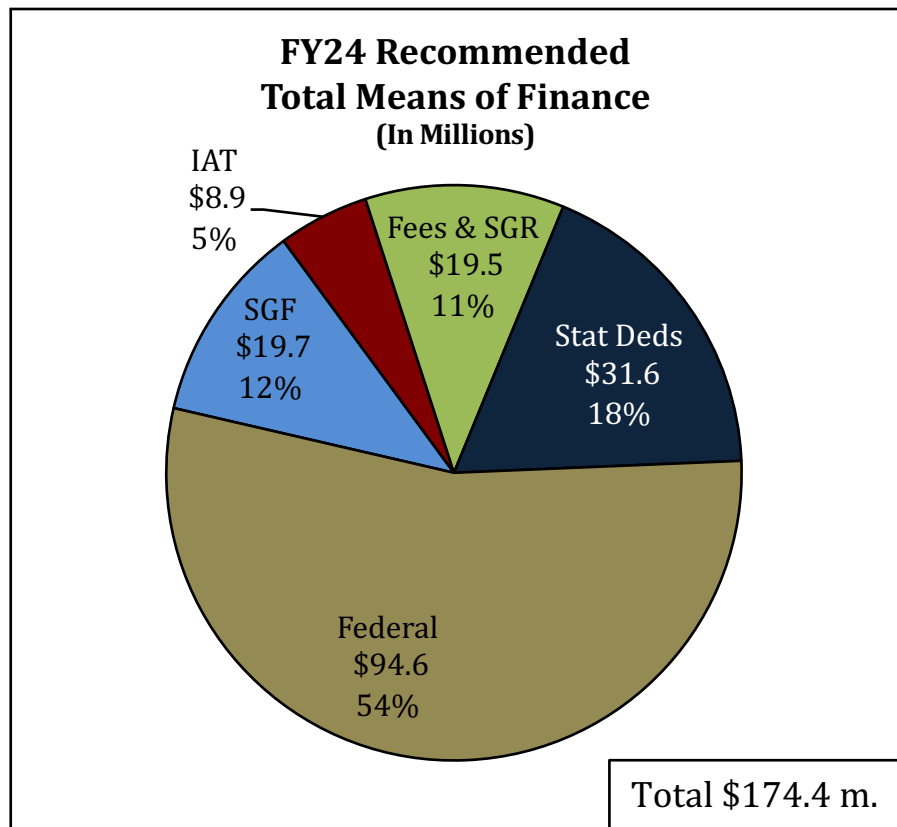
### Means of Financing Substitutions

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	(\$248,737)	\$0	\$248,737	\$0	-	Means of finance substitution decreasing Fees and Self-generated Revenues out of the Oil and Gas Regulatory Dedicated Fund Account and increasing Federal Funds from the Energy Community Revitalization Program. These funds will allow existing staff to provide administrative oversight, site inspections and various other functions related to the plugging of abandon orphaned wells in the Oilfield Site Restoration Program.
\$0	(\$20,921)	\$0	\$20,921	\$0	\$0	-	Means of finance substitution decreasing Interagency Transfers and increasing the Mineral and Energy Operation Fund for the Market Data EPM (Platts) invoice that is used to access market data and oil price assessments to obtain the best possible reflection of market value for global crude oil and the refined oil industry.
\$204,274	\$0	(\$204,274)	\$0	\$0	\$0	-	Means of finance substitution decreasing the Oil and Gas Regulatory Dedicated Fund Account and increasing State General Fund for the Carbon Sequestration Program. This program will reduce the amount of carbon dioxide in the atmosphere with the goal of reducing global climate change.
\$204,274	(\$20,921)	(\$453,011)	\$20,921	\$248,737	\$0	-	<b>Total Means of Financing Substitutions</b>



# Natural Resources

## FY24 Recommended Means of Finance



### Non-SGF Sources of Funding:

**Federal** sources are the largest non-SGF funding source at 54 percent. They include funds from the U.S. Dept. of Interior; U.S. Dept. of Energy's State Energy Conservation Program (SEP); Federal Coastal Zone Management Act of 1972; Federal Infrastructure Investment and Jobs Act; and Federal Energy Settlement Funds.

**Dedicated Funds** contribute 18 percent of non-SGF funding. They include:

- Carbon Dioxide Geologic Storage Trust Fund,
- Mineral and Energy Operation Fund,
- Oilfield Site Restoration Fund, and
- Oil Spill Contingency Fund.

**Interagency Transfers** are derived from Administrative Costs from the Office of Conservation and Oilfield Site Restoration Fund from the Office of the Secretary.

**Fees and Self-generated Revenues** are derived from Interest revenues received from energy efficiency loans made through the Home Energy Loan Program (HELP); Insurance Recovery; Sale of surplus property; and Data Subscriptions.





# Natural Resources

## Dedicated Funds, Fees and Self-generated Revenues, and Fund Accounts

Dedicated Funds	Source of Funding	FY22 Actual	FY23 Enacted	FY23 EOB as of 12-1-22	FY24 Recommended	Difference FY23 EOB to FY24 REC
Carbon Dioxide Geologic Storage Trust Fund	Fees/penalties/bond forfeiture/private contributions/interest earnings/civil penalties/grants/donations/trust accounts	\$ -	\$ 2,981,960	\$ 2,981,960	\$ 2,980,336	<i>(\$1,624)</i>
Mineral and Energy Operation Fund	Judgments/Settlements/Fees/Other Sources	\$ 3,923,964	\$ 5,327,180	\$ 5,327,180	\$ 5,304,594	<i>(\$22,586)</i>
Oil Spill Contingency Fund	Fees/Taxes/Penalties/Judgments/Reimbursements/Charges/Federal Funds	\$ 202,293	\$ 213,000	\$ 213,000	\$ 214,473	<i>\$1,473</i>
Oilfield Site Restoration Fund	Annual Assessments on Inactive, Unplugged Wells	\$ 8,607,876	\$ 12,625,519	\$ 12,625,519	\$ 23,149,044	<i>\$10,523,525</i>
<b>TOTALS</b>		<b>\$ 12,734,133</b>	<b>\$ 21,147,659</b>	<b>\$ 21,147,659</b>	<b>\$ 31,648,447</b>	<b><i>\$10,500,788</i></b>

Dedicated Funds make up about 18 percent of DNR's budget for FY24 Recommended, with the Oilfield Site Restoration Fund showing the largest projected increase at \$10.5 million. This is largely due to increased activity in restoring wells and plugging orphan wells.

Fees and Self-generated Revenues and Fund Accounts	FY22 Actual	FY23 Enacted	FY23 EOB as of 12-1-22	FY24 Recommended	Difference FY23 EOB to FY24 REC
Fees and Self-generated Revenues	\$ 164,037	\$ 208,000	\$ 208,000	\$ 212,011	\$ 4,011
Coastal Resources Trust Fund	\$ 1,604,768	\$ 4,366,113	\$ 4,366,113	\$ 1,261,113	<i>\$ (3,105,000)</i>
Fisherman's Gear Compensation Fund	\$ 276,900	\$ 632,000	\$ 632,000	\$ 632,000	<i>\$ -</i>
Oil and Gas Regulatory Fund	\$ 15,138,381	\$ 17,453,173	\$ 17,453,173	\$ 17,035,330	<i>\$ (417,843)</i>
Underwater Obstruction Removal Fund	\$ 79,840	\$ 350,000	\$ 350,000	\$ 350,000	<i>\$ -</i>
<b>TOTALS</b>	<b>\$ 17,263,926</b>	<b>\$ 23,009,286</b>	<b>\$ 23,009,286</b>	<b>\$ 19,490,454</b>	<b><i>\$ (3,518,832)</i></b>

Fees and Self-generated Revenues and Fund Accounts contribute 11 percent to DNR's budget for FY24 Recommended. Of the \$19.5 million total, Fund Accounts provide \$19.3 million mainly due to the Oil and Gas Regulatory Fund Account and the Coastal Resources Trust Fund Account.



# Natural Resources

## FY23 Enacted vs. FY24 Recommended Comparison

FY23 Enacted Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total	T.O.
Office of the Secretary	\$3,840,019	\$3,654,617	\$782,000	\$12,625,519	\$36,008,609	\$56,910,764	42
Conservation	\$2,716,447	\$1,502,261	\$17,822,173	\$2,981,960	\$3,720,836	\$28,743,677	179
Mineral Resources	\$3,853,906	\$578,449	\$20,000	\$5,327,180	\$0	\$9,779,535	55
Coastal Management	\$174,035	\$3,157,899	\$4,385,113	\$213,000	\$2,687,088	\$10,617,135	45
<b>TOTALS</b>	<b>\$10,584,407</b>	<b>\$8,893,226</b>	<b>\$23,009,286</b>	<b>\$21,147,659</b>	<b>\$42,416,533</b>	<b>\$106,051,111</b>	<b>321</b>
FY24 Recommended Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total	T.O.
Office of the Secretary	\$16,455,473	\$7,392,720	\$2,082,113	\$28,668,111	\$90,499,820	\$145,098,237	148
Conservation	\$3,287,750	\$1,499,417	\$17,408,341	\$2,980,336	\$4,116,000	\$29,291,844	179
Mineral Resources	\$0	\$0	\$0	\$0	\$0	\$0	-
Coastal Management	\$0	\$0	\$0	\$0	\$0	\$0	-
<b>TOTALS</b>	<b>\$19,743,223</b>	<b>\$8,892,137</b>	<b>\$19,490,454</b>	<b>\$31,648,447</b>	<b>\$94,615,820</b>	<b>\$174,390,081</b>	<b>327</b>
<i>Difference FY23 Enacted to FY24 Recommended</i>	\$9,158,816	(\$1,089)	(\$3,518,832)	\$10,500,788	\$52,199,287	\$68,338,970	6

In terms of overall funding from FY23 Enacted to FY24 Recommended, DNR shows an increase of \$68.3 million, or 64 percent.

The increase is the largest in the Office of the Secretary, which grew by \$88.2 million and 106 Authorized T.O. positions. This growth is due to consolidation of the Offices of Mineral Resources and Coastal Management and to increased funding from Federal sources.

The Office of Conservation increased by \$548,167 total with T.O. positions remaining the same at 179.

In terms of means of financing, State General Fund increased by \$9.2 million; Dedicated Funds by \$10.5 million and Federal Funds by \$52.2 million. Fees and Self-generated Revenues decreased by (\$3.5 million) while Interagency Transfers slipped by (\$1,089).

Authorized T.O. positions grew by six to 327 total.



# Categorical Expenditures

## Examples of Categories

**Departments expend funding in the five major categories listed below.**

### **Personal Services**

- Salaries – Regular, overtime, and termination pay for Classified and Unclassified personnel.
- Other Compensation – Wages, student labor, compensation for board members and/or board of trustees, evening instruction, university instructors, etc.
- Related Benefits – Retirement contributions, post-retirement contributions/benefits, FICA tax, Medicare tax, group insurance contributions, compensated absences, other related benefits, taxable fringe benefits, etc.

### **Total Operating Expenses**

- Travel – In-state and Out-of-state, including meal reimbursement.
- Operating Services – Advertising, printing, insurance, maintenance, rentals, data processing, internet costs, dues and subscriptions, mail delivery, telephones, data lines, vehicle tracking and telematics, utilities, depreciation, amortization, banking services, credit card fees, etc.
- Supplies – office supplies and equipment, computers, clothing and uniforms, medical, pharmaceutical, food, automotive, repair and maintenance, software, etc.

**Professional Services** – Accounting, auditing, management consulting, engineering, architectural, legal, medical and dental, veterinary, information technology, etc.

### **Total Other Charges**

- Other Charges – Aid to school boards, local government, etc.; public assistance; miscellaneous charges; judgments, fines, and penalties; interest on judgments; punitive/compensatory damages; OC personal services, operating expenses, professional services; contract attorney expenses; recoupments; furlough; contractual services; interest expense; claim payments; commercial group insurance; reinsurance; loans issued; disbursements; etc.
- Debt Service – Principal, interest, related charges, reserve requirement, amortization, and bond premiums.
- Interagency Transfer Line-Item Expenditure – Any expenses paid for with Interagency Transfers – from commodities and services to equipment.

### **Acquisitions and Major Repairs**

- Acquisitions – Land; buildings; automobiles; aircraft; accessories; equipment; software; hardware; farm and heavy equipment; boats; capital outlay expenditures; construction; etc.
- Major Repairs – Land improvement; buildings; automotive; grounds; boats; aircraft; movable equipment; farm equipment; medical; office; library; education; recreation; communication; other equipment; pollution remediation; etc.

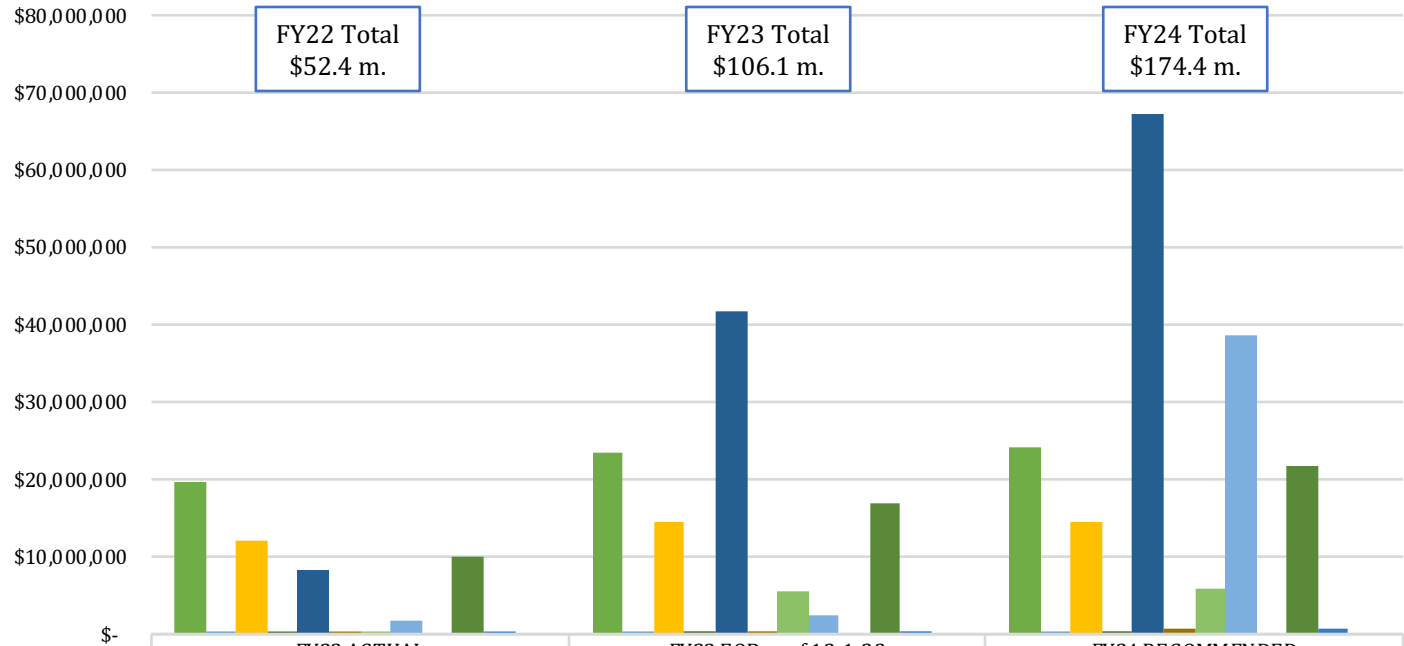


# DNR Categorical Expenditures FY22, FY23, and FY24

Expenditures for FY24 Recommended show a sizable increase in the Operating Services expenditures at \$67.4 million. This is an increase of \$59.2 million over the FY22 Actual total of \$8.2 million.

As with most general government departments, Personal Services make up a large portion of expenditures at 22 percent for FY24 Recommended.

Another growth area of expenditures for DNR is Other Charges, which increases by \$41.2 million for FY24 Recommended over FY23 EOB.



## Personal Services

## Operating Expenses

## Professional Services

## Other Charges

## Acquisitions and Major Repairs



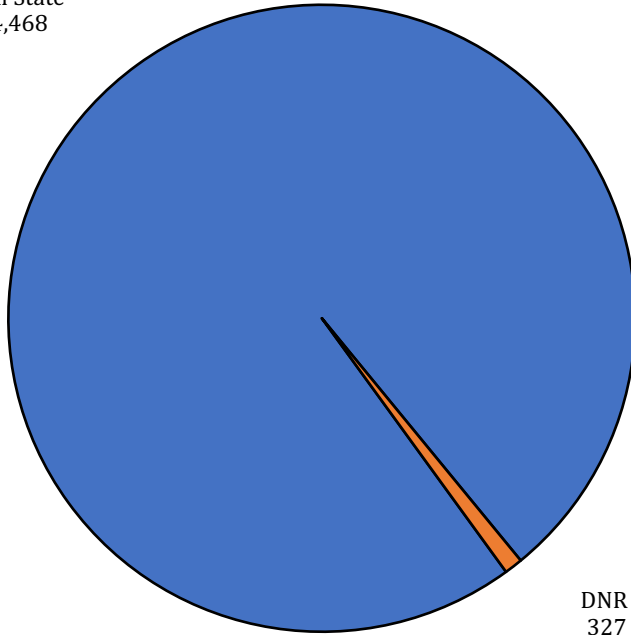


# Natural Resources

## FTEs, Authorized T.O., and Other Charges Positions

**FY24 Recommended Department Employees  
as a portion of  
FY24 Recommended Total State Employees**

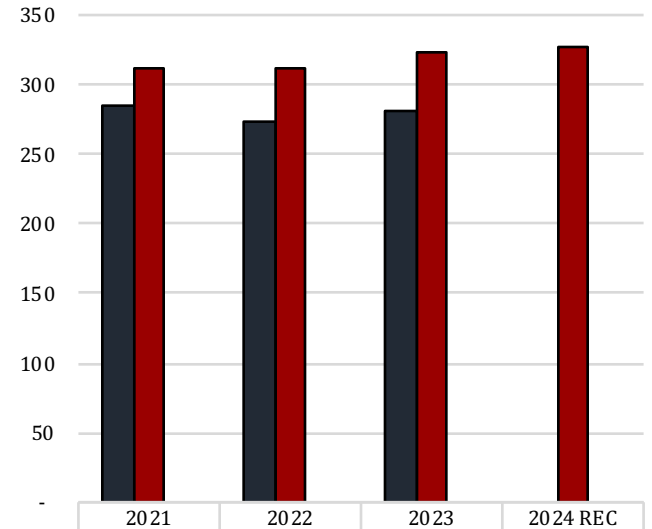
Total State  
34,468



DNR  
327  
1%

FY23 number of funded, but not filled,  
positions as of February 27 = 36

**Number  
and  
Types  
of  
Positions**



■ Total FTEs (1st July Report)

■ Authorized T.O. Positions

■ Other Charges Positions

The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

**Authorized Positions** are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies include in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

**Other Charges** positions are authorized under R.S. 39:2(5)(b) ...

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



# Natural Resources

## Related Employment Information

Salaries and Related Benefits for the 327 Authorized Positions are listed below in Chart 1.  
In Chart 2, benefits are broken out to show the portion paid for active versus retired employees.  
This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2021 Actual	2022 Actual	2023 Enacted	2024 Recommended
Salaries	\$19,152,045	\$19,634,240	\$23,403,549	\$24,128,720
Other Compensation	\$143,287	\$171,536	\$264,944	\$264,944
Related Benefits	\$11,796,540	\$12,066,590	\$14,425,167	\$14,327,454
<b>Total Personal Services</b>	<b>\$31,091,872</b>	<b>\$31,872,365</b>	<b>\$38,093,660</b>	<b>\$38,721,118</b>

Average T.O. Salary = \$69,857

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

2.

Related Benefits FY24 Recommended	Total Funding	%
Total Related Benefits	\$14,327,454	
UAL payments	\$8,192,244	57%
Retiree Health Benefits	\$2,101,174	
Remaining Benefits*	\$4,034,036	
Means of Finance	General Fund = 18%	Other = 82%

Department Demographics	Total	%
<b>Gender</b>		
Female	124	41
Male	181	59
<b>Race/Ethnicity</b>		
White	255	84
Black	32	10
Asian	18	1
Indian	0	0
Hawaiian/Pacific	0	0
Declined to state	14	5
<b>Currently in DROP or Eligible to Retire</b>	<b>49</b>	<b>15</b>

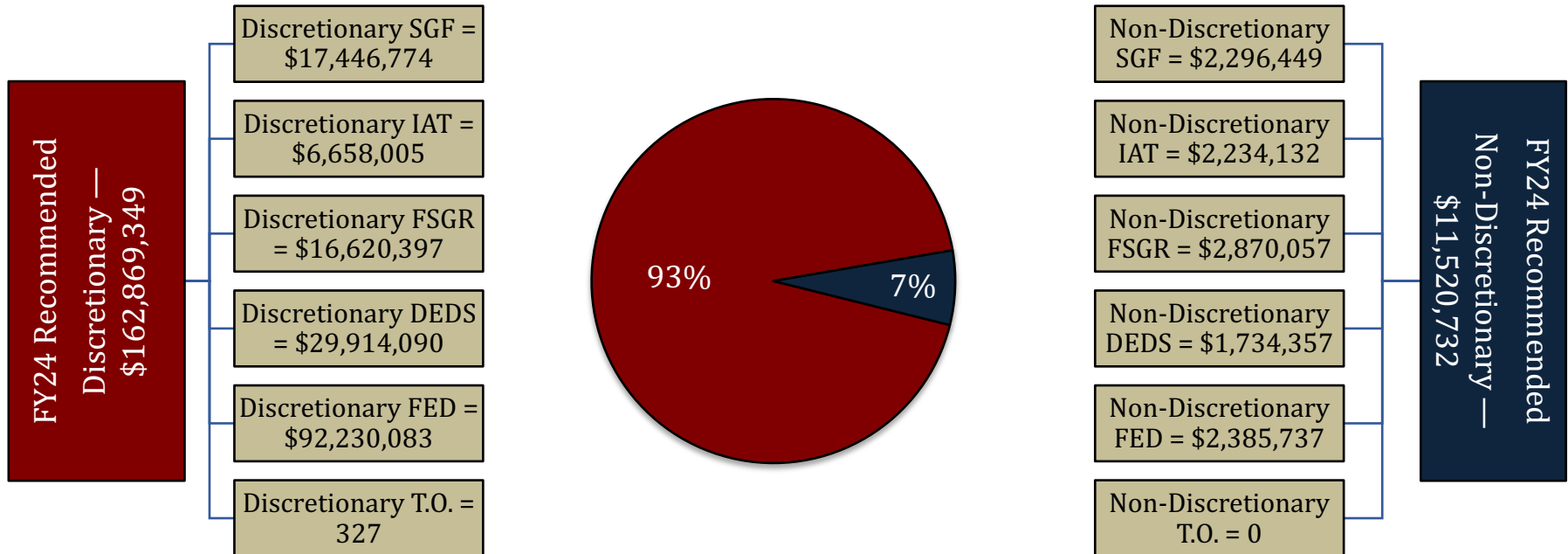
\* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits  
\$0



# Natural Resources

## FY24 Discretionary/Non-Discretionary Comparison



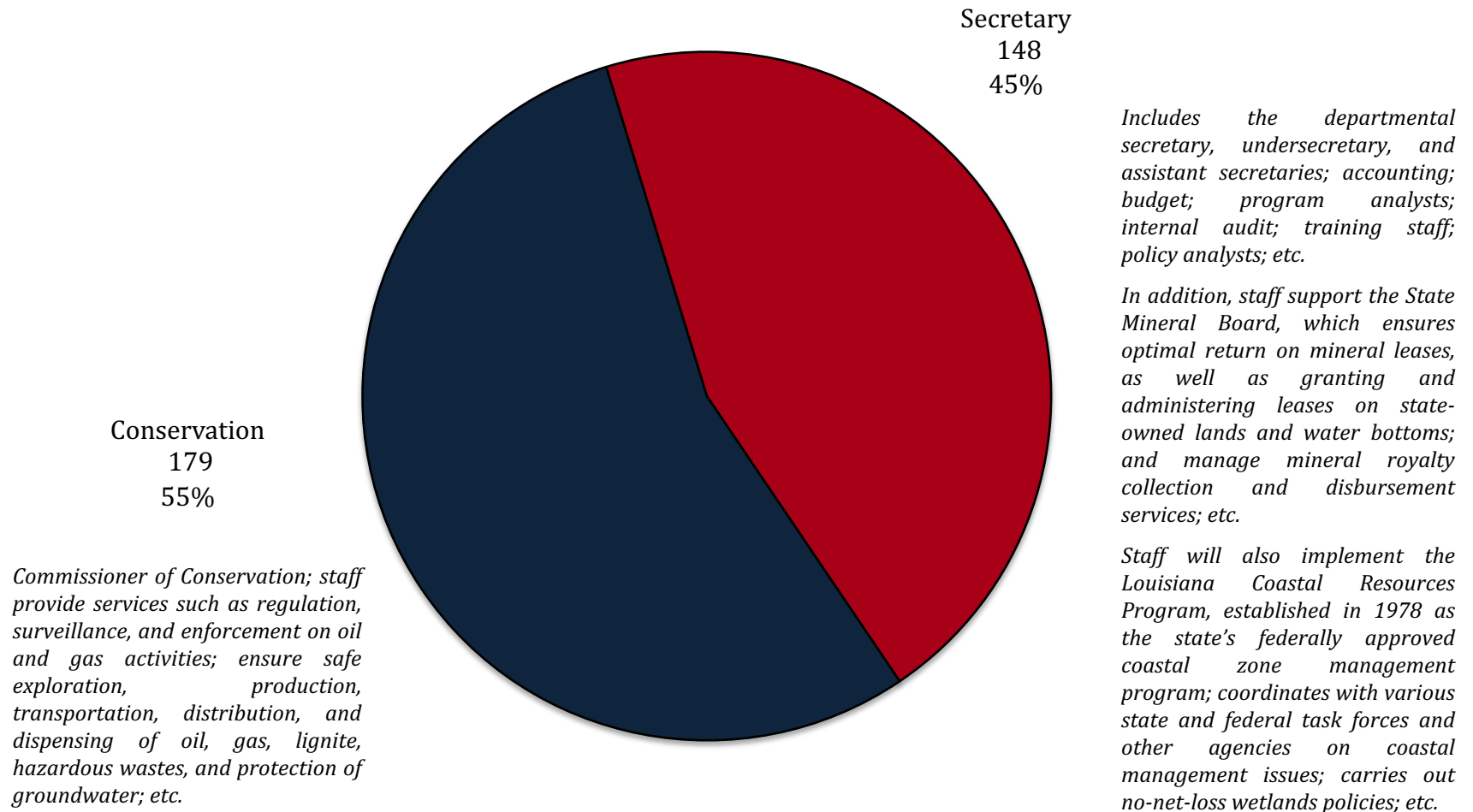
Total Discretionary Funding by Office		
Office of the Secretary	\$138,340,758	85%
Office of Conservation	\$24,528,591	15%
<b>Total Discretionary</b>	<b>\$162,869,349</b>	<b>100%</b>

Total Non-Discretionary Funding by Type		
Required by the Constitution (UAL)	\$ 8,192,244	71.11%
Needed to Pay Debt Service -- Rent in State-Owned Buildings	\$ 1,041,936	9.04%
Unavoidable Obligation -- Retirees' Group Insurance	\$ 2,101,174	18.24%
Unavoidable Obligation -- Legislative Auditor Fees	\$ 182,594	1.58%
Unavoidable Obligation -- Maintenance in State-Owned Buildings	\$ 2,784	0.02%
<b>Total Non-Discretionary</b>	<b>\$ 11,520,732</b>	<b>100.00%</b>



# Natural Resources

## FY24 Recommended Total Authorized Positions by Agency







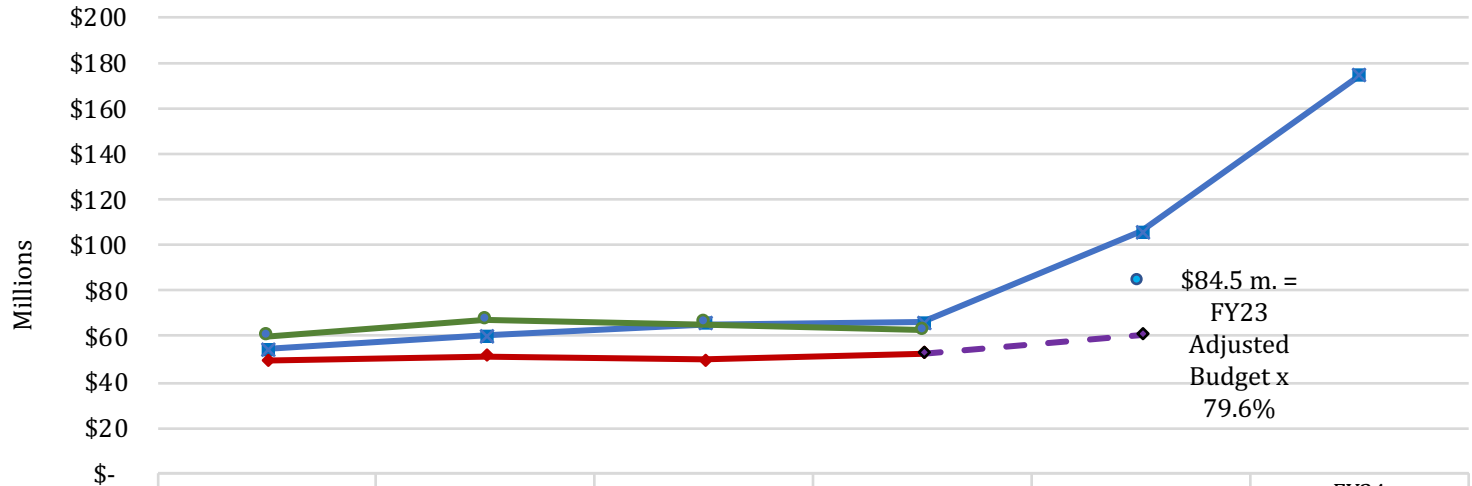
# Natural Resources

## Enacted & FYE Budget vs. Actual Expenditures FY19 to FY22

**FYE Budget = "Fiscal Year End" Budget** includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY23, it is as of February.

FY23 Known  
Supplemental  
Needs:  
\$7 m.

FY22 General Fund  
Reversions:  
\$721,405



	FY19	FY20	FY21	FY22	FY23 EOB	FY24 Recommended
Enacted Budget	\$54,582,563	\$60,274,964	\$65,659,157	\$65,926,129	\$106,061,111	\$174,390,081
FYE Budget	\$59,958,607	\$67,268,013	\$65,659,157	\$62,651,129		
Actual Expenditures	\$49,446,465	\$51,506,475	\$49,702,476	\$52,392,647		
FY22 Expenditure Trend				\$52,392,647	\$60,605,734	

### Monthly Budget Activity

	FY23 Adjusted Budget	FY23 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-22	\$ 106,051,111	\$ 3,563,271	\$ 102,487,840	3.4%
Aug-22	\$ 106,051,111	\$ 8,982,290	\$ 97,068,821	8.5%
Sep-22	\$ 106,051,111	\$ 13,802,689	\$ 92,248,422	13.0%
Oct-22	\$ 106,051,111	\$ 18,303,260	\$ 87,747,851	17.3%
Nov-22	\$ 106,051,111	\$ 22,993,467	\$ 83,057,644	21.7%
Dec-22	\$ 106,051,111	\$ 28,283,887	\$ 77,767,224	26.7%
Jan-23	\$ 106,051,111	\$ 36,431,937	\$ 69,619,174	34.4%

### Monthly Budget Activity

	FY23 Adjusted Budget	FY23 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Feb-23	\$ 106,051,111	\$ 39,787,484	\$ 66,263,627	37.5%
<i>(Trend based on average monthly expenditures to date)</i>				
Mar-23	\$ 106,051,111	\$ 44,992,046	\$ 61,059,065	42.4%
Apr-23	\$ 106,051,111	\$ 50,196,609	\$ 55,854,502	47.3%
May-23	\$ 106,051,111	\$ 55,401,171	\$ 50,649,940	52.2%
Jun-23	\$ 106,051,111	\$ 60,605,734	\$ 45,445,377	57.1%

Historical Year End Average

79.6%



# Natural Resources

## FY23 Supplemental Request

FY23 Supplemental Request		
Amount	Means of Finance	Description
\$ 1,000,000	SGF	State Energy Office to pay for Louisiana's portion of a contract with the Gulf Coast Restoration and Protection Foundation to provide support for the HALO Hub consortium's grant application.
\$ 1,000,000	SGF	To commission a technical report on industrial carbon management which will include technology readiness, cost, and infrastructure requirements.
\$ 1,000,000	SGF	To commission the next phase of an integrated grid planning study which will help inform strategic investments of Infrastructure Investment and Jobs Act and Inflation Reduction Act funds.
\$ 3,000,000	SGF	To commission a comprehensive offshore wind study to facilitate project development and expedite permitting.
\$ 1,000,000	SGF	For outreach and engagement of communities, particularly disadvantaged communities, as carbon management and renewable technologies (e.g. solar, CCUS, hydrogen, etc) are integrated into the grid.
<b>\$ 7,000,000</b>	<b>TOTAL</b>	

### On March 20, the commissioner informed the committee about certain funding and initiatives in DNR for FY24:

- **HALO** – the application is due early April 2023, and a decision by the federal government is expected during the summer. Approximately \$50M would be the grant allocated to DNR. No state match is required.
- The state Energy Office will apply this summer for two additional grants for **energy efficiency and weatherization**.
- **HOMES rebate** from the Inflation Reduction Act for energy efficiency updates for single family homes or multi-family buildings – \$107M.
- **High Efficiency Electric Home Rebates** – provides point of sale rebates for qualified electrification projects – \$106M.
- The first tranche of the formula grant for **orphan wells and remediation** is included in the FY 23-24 budget (\$25M).



# Natural Resources

## HALO Hydrogen Hub



The HALO Hydrogen Hub is an interstate cooperative effort among **Arkansas, Louisiana, and Oklahoma** to establish a hydrogen energy hub in the region.

The goal is to create a network of clean hydrogen producers, transporters, and consumers to ultimately create a hydrogen economy that can sustain itself once federal funding is no longer available.

The Infrastructure Investment and Jobs Act included up to \$7 billion appropriated to the U.S. Department of Energy (DOE) for development of regional clean hydrogen hubs.

Louisiana was the lead state organizing this initiative, and the partnership of states was established in 2022.

The HALO Hub submitted its initial proposal in November 2022 to the U.S. DOE to compete for funding and was encouraged to submit a Full Application, which is due by April 7, 2023.

If accepted, the HALO Hub could receive up to \$1.25 billion in Federal funding.

Funding recipients are expected to be announced later in 2023.



# Natural Resources

## HOMES Rebate and High-Efficiency Electric Home Rebates

**HOMES** stands for Home Energy Performance-Based, Whole-House Rebates. These incentives were included in the Inflation Reduction Act of 2022. Over the next 10 years, \$4.3 billion will flow from the U.S. Department of Energy (DOE) to State Energy Offices across the country. The goal is to boost home performance, cut greenhouse gas emissions, drive demand for energy efficiency, and lower household utility bills.

### HOMES Tiered Incentive Pathways

#### Modeled Energy Savings

Projects must achieve modeled energy savings of at least **20 percent** to qualify for rebates.

Larger rebates are available for projects achieving modeled energy savings of at least **35 percent**.

Rebates **double** for low- and moderate-income individuals.

#### Measured Energy Savings

Portfolios of projects must achieve measured energy savings of **15 percent** across the portfolio to qualify for rebates.

Payment rate is per kWh and equal to **\$2,000** for a 20% reduction of energy use for the average home in the state.

Rebates **double** for low- and moderate-income individuals.

#### HEEHRA Rebate Levels

For Qualified Electrification Projects

##### Income Eligibility and % Costs Covered

<b>Low-income:</b> <80% Area Median Income (AMI) % costs covered (including installation)	<b>100%</b>
<b>Moderate-income:</b> 80-150% AMI % costs covered (including installation)	<b>50%</b>

##### Overall Incentives

Max consumer rebate	<b>\$14,000</b>
Max contractor rebate	<b>\$500</b>

##### Rebates for Qualified Electrification Projects

Heat pump HVAC	<b>\$8,000</b>
Heat pump water heater	<b>\$1,750</b>
Electric stove/cooktop	<b>\$840</b>
Heat pump clothes dryer	<b>\$840</b>
Breaker box	<b>\$4,000</b>
Electric wiring	<b>\$2,500</b>
Weatherization insulation, air sealing, ventilation	<b>\$1,600</b>

The **High-Efficiency Electric Home Rebate Program** (HEEHRA) is a 10-year program to support low-and-moderate income households who electrify their homes. A total of \$4.26 billion will be distributed by State Energy Offices and \$225 million by tribal governments. Rebates can total as much as \$14,000 per household.





# Natural Resources

## Orphaned Oil and Gas Wells Update

**On March 23, Gov. Edwards announced the state had plugged more than 100 orphaned wells within the last two months.**

**The first orphan well was permanently plugged on January 17 using initial grant funding from the Federal Infrastructure Investment and Jobs Act (IIJA).**

In FY23, as part of the IIJA, the U.S. Department of the Interior awarded an initial grant of \$25 million to the state in August 2022. The Oilfield Site Restoration Fund contributed another \$12.6 million in budget authority for FY23.

In FY24, as shown in the agency-specific adjustments, \$20 million in Federal Funds and \$4 million in Statutory Dedications from the Oilfield Site Restoration Fund are recommended for this ongoing endeavor.

Orphaned wells are those that have been abandoned and the responsible party is either unknown, insolvent, or otherwise unable to maintain the well in accordance with state laws and regulations.

Louisiana ranks 10<sup>th</sup> among the states in the number of orphaned wells, with over 4,600 documented. Officials believe there may be more as yet unlisted.

- Many of these wells date back to the early 20<sup>th</sup> century and the beginning of oil exploration and drilling.
- More than 70 percent are located in North Louisiana.



*Site restoration in North Louisiana.*



*Plugged well.*



# Louisiana Total Crude Oil and Condensate Production

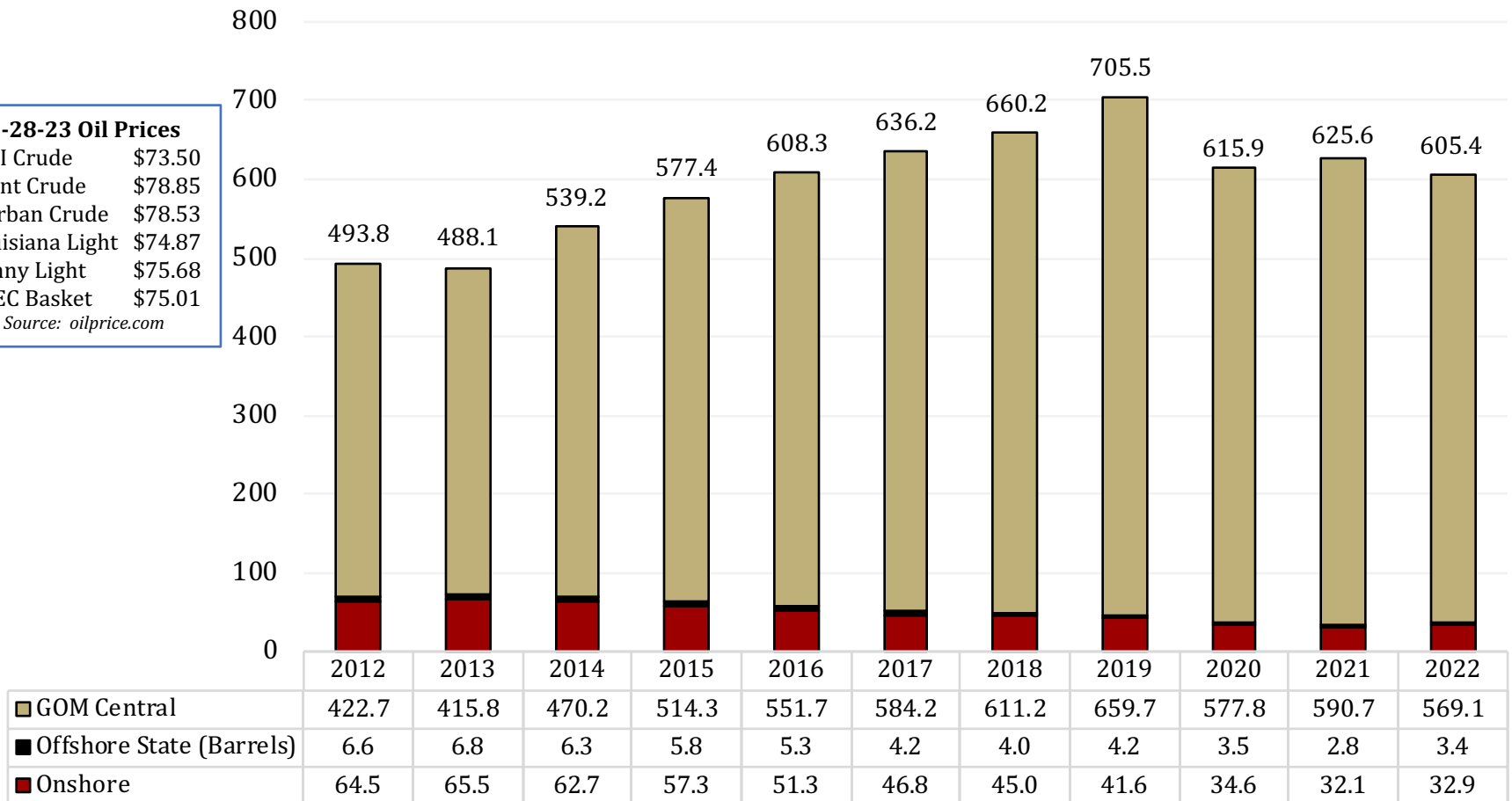
## Production by Location

In millions  
of barrels

### 3-28-23 Oil Prices

WTI Crude	\$73.50
Brent Crude	\$78.85
Murban Crude	\$78.53
Louisiana Light	\$74.87
Bonny Light	\$75.68
OPEC Basket	\$75.01

Source: oilprice.com



GOM Central = Oil production from Outer Continental Shelf Central region in the Gulf of Mexico.

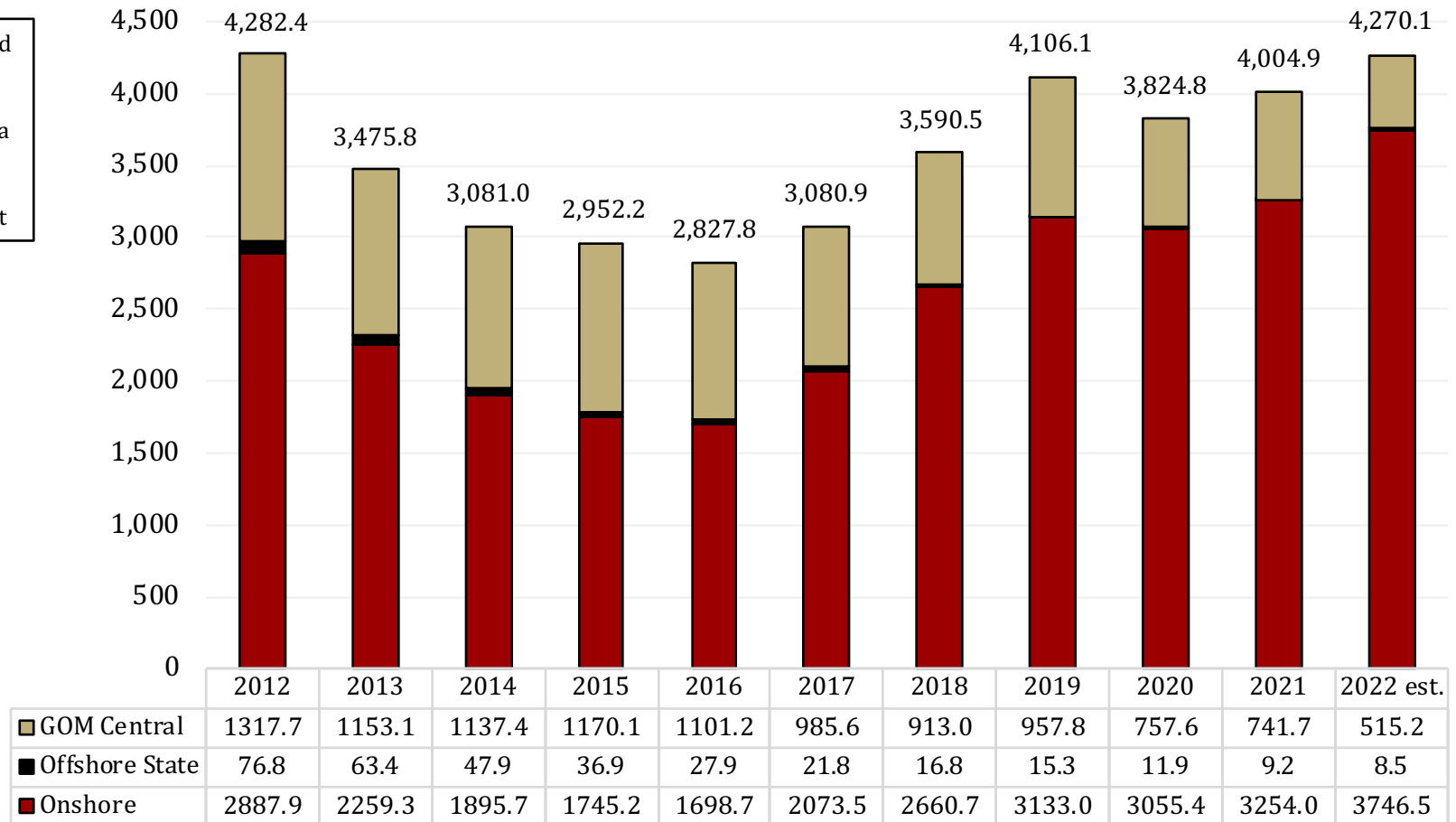
Source: Office of Conservation, January 4, 2023.



# Louisiana Total Natural Gas and Casinghead Gas Production

## Production by Location

In thousand  
cubic feet  
(MCF) at  
15.025 psia  
and 60  
degrees  
Fahrenheit



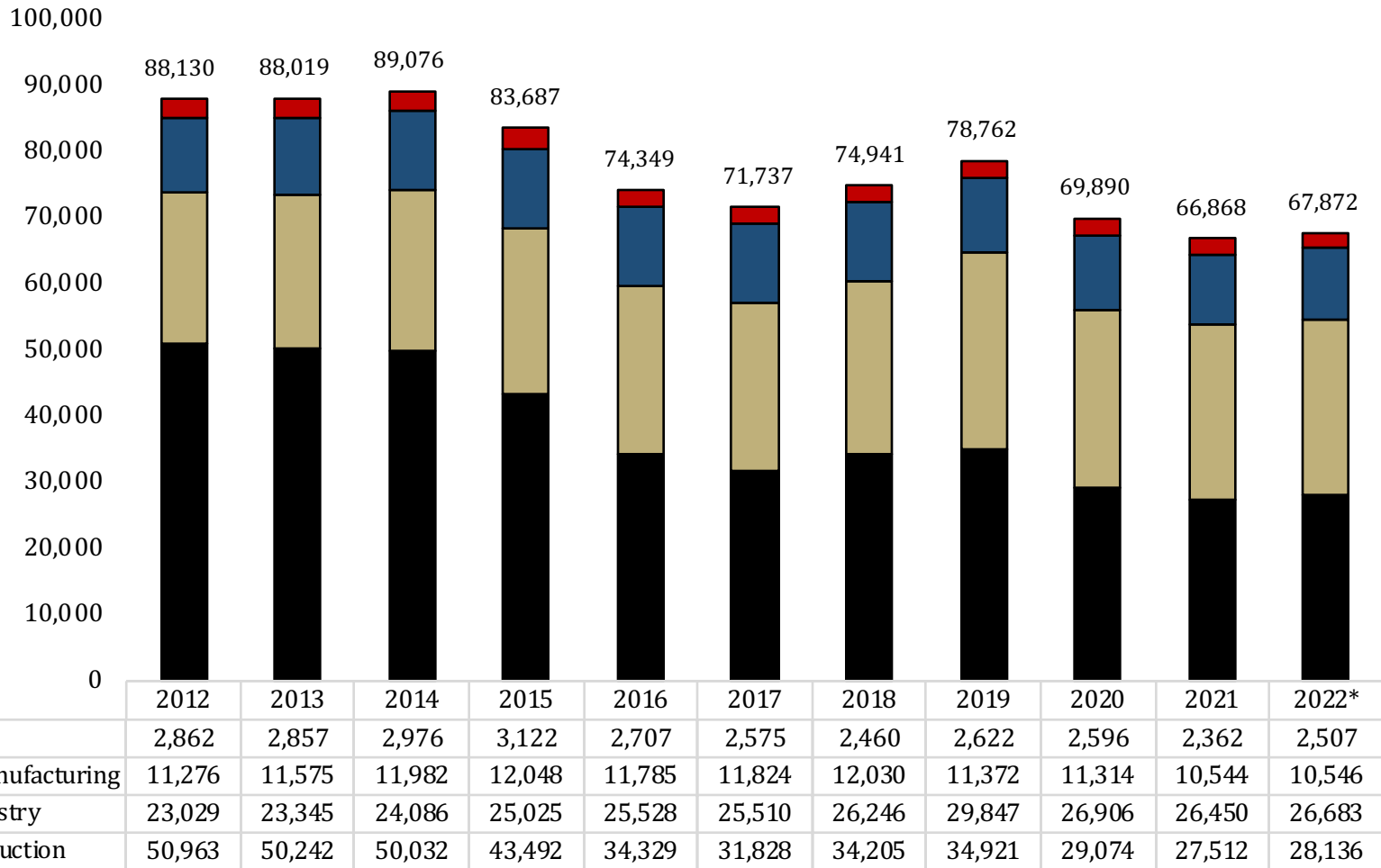
*GOM Central = Oil production from Outer Continental Shelf Central region in the Gulf of Mexico.*

*Source: Office of Conservation, as of January 9, 2023.*



# Louisiana Petrochemical Industry Employment

Yearly Average for All Petrochemical Jobs and for Job Type



Source: Office of Conservation, January 17, 2023, from the Louisiana Workforce Commission

\*2022 data as of June 30, 2022